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滙力集團
HUILI GROUP

Huili Resources (Group) Limited

滙力資源(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1303)

INSIDE INFORMATION POSITIVE PROFIT ALERT

This announcement is made by Huili Resources (Group) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Based on preliminary assessment of the unaudited condensed consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Period**”) and other information available to the Group, the board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a net profit of not more than approximately RMB21 million for the Period, against the net loss of approximately RMB7.2 million for the six months ended 30 June 2021 (the “**Prior Period**”).

The Board considers that the expected significant increase in profit for the Period is mainly attributable to the following factors:

1. due to the strong coal demand in the domestic coal market in the first half of 2022, the average selling prices of the Group's coal products increased during the Period as compared with the Prior Period;
2. the increase in sales volume of the Group's coal product during the Period as compared to the Prior Period;
3. the contribution from the Group's newly acquired company, Shanxi Fanpo Clean Energy Technology Company Limited*;
4. the unrealized foreign exchange gain from the financial assets denominated in USD and HKD as the result of the appreciation of USD and HKD against RMB, being the Group's functional and presentation currency; and
5. the effective stringent cost controls continuously implemented by the Group.

The information contained in this announcement is only based on the preliminary assessment and estimates made by the Board with reference to the unaudited financial information of the Group for the Period and other information currently available to the Group, and is not based on any information or figures which have been audited or reviewed by the Company's auditors and the audit committee of the Company and may be subject to possible adjustments. The Group's interim results for the Period may differ from the information contained in this announcement. Further details of the Group's financial results and performance for the Period will be disclosed in the Company's interim results announcement for the Period to be published by end of August 2022 in compliance with the Listing Rules.

Further announcements will be made by the Company if there is any significant change in the expected interim results of the Group for the six months ended 30 June 2022 as disclosed in this announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the shares in the Company.

By order of the Board
Huili Resources (Group) Limited
Cui Yazhou
Chairman

Hong Kong, 12 August 2022

As at the date of this announcement, the executive Directors are Mr. Cui Yazhou (Chairman), Ms. Wang Qian, Mr. Ye Xin and Mr. Zhou Jianzhong; the non-executive Director is Mr. Cao Ye; and the independent non-executive Directors are Mr. Chan Ping Kuen, Ms. Xiang Siying and Ms. Huang Mei.

* For identification purpose only